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## **INTRODUCTION**

Inner Access Therapy Center entered into an agreement with the Michigan Family Independence Agency (FIA) to provide outreach clinical and sexual abuse counseling, group counseling, and family counseling to clients referred to them by FIA local office specialists. FIA established the fair market rates that Inner Access Therapy Center would be paid for the services provided. Inner Access billed and was reimbursed under the unit rate reimbursement method. Ionia/Montcalm County FIA referred individuals and families for counseling services, and approved the billings that Inner Access submitted for counseling services provided to clients referred by Ionia/Montcalm County FIA.

## **SCOPE**

We performed an audit of billings submitted by Inner Access Therapy Center for Ionia/Montcalm County FIA clients for the period October 1, 1999 through September 30, 2000. Our audit was conducted in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The purpose of our audit was to determine if the units billed by Inner Access Therapy Center and paid by FIA were properly calculated and supported by client contact records submitted by the counselors.

## **EXECUTIVE SUMMARY**

Based on our audit, we concluded that Inner Access did not have a system in place to ensure the accuracy of billings submitted to Ionia/Montcalm County FIA. Inner Access Therapy Center submitted multiple billings for some months, some of which were revisions to the original bills and some were additional billings. Also, when Ionia/Montcalm County FIA returned billings for corrections, Inner Access made additional changes and additions to the billings that were not requested by Ionia/Montcalm County FIA, thus making it difficult to determine if Inner Access was

billing for additional units or rebilling for units that were included on the previous billings. We concluded that Inner Access Therapy Center will need to submit revised billings for many months of the period covered by our audit.

### **INNER ACCESS RESPONSE**

The management of Inner Access Therapy Center has reviewed all findings and recommendations included in this report. They indicated in a letter dated January 5, 2001 that they are in general agreement with the findings and recommendations. They also stated in their response that many of the problems in billing were caused by the length of time it took to get the referral forms from the local offices workers, and the confusion on how to correctly prepare and submit revised billings.

### **FINDINGS AND RECOMMENDATIONS**

#### **Actual Amount to be Paid**

1. Inner Access Therapy Center had been paid \$29,661.50 for services provided to clients referred to them by Ionia/Montcalm County FIA for the period October 1, 1999 through September 30, 2000. Inner Access Therapy Center's records document that the amount they should be paid for that period is \$41,139.50, a difference on \$11,478.00. The amounts paid and documented for each month and the differences are detailed in Schedule A of this report.

WE RECOMMEND that Ionia/Montcalm County FIA instruct Inner Access that they must submit revised billings for each month where the billing(s) previously submitted do not agree with the amount documented for that month.

WE ALSO RECOMMEND that Ionia/Montcalm County FIA process the billings for the months where the billing they have received agrees with the amount documented for that month.

#### Revised and Additional Billings

2. Inner Access combined revised billings and additional billings, which caused confusion in determining the correct amount they should be paid. There were several months where Ionia/Montcalm County FIA returned billings submitted by Inner Access to them for corrections when they billed for units provided to individuals who were not covered by the FIA contract. Inner Access made the corrections, and also added on any units to be billed for that month where the counselor submitted his/her billing late, or where the insurance company had denied payment to Inner Access for an FIA client who reported that he/she had insurance coverage. This made it difficult to determine if the corrections were properly made, or if units billed by Inner Access had already been paid on a previous billing. The contract allows Inner Access to bill FIA for all units referred to them by FIA under the Fair Market Rate contract, and to reimburse FIA at a later date if payment is received from an insurance company.

Also, in some cases Ionia/Montcalm FIA did not send the referral form to Inner Access timely, and therefore Inner Access was unsure whether to bill the units of service provided to the client to the Fair Market Rate contract or to another funding source.

WE RECOMMEND that Ionia/Montcalm County FIA instruct Inner Access to bill timely for all units of counseling services provided to clients referred to them by

Ionia/Montcalm County FIA, and reimburse FIA if payment is received from another funding source.

WE ALSO RECOMMEND that Ionia/Montcalm County FIA ensure that referral forms are sent timely to Inner Access Therapy Center.

Month	Amount Paid by FIA	Amount Documented	Difference
Oct-99	\$2,198.00	\$2,768.50	\$570.50
Nov-99	\$5,337.00	\$4,246.50	-\$1,090.50
Dec-99	\$4,645.00	\$4,439.00	-\$206.00
Jan-00	\$4,821.00	\$4,487.00	-\$334.00
Feb-00	\$6,051.50	\$3,563.00	-\$2,488.50
Mar-00	\$1,165.50	\$5,316.50	\$4,151.00
Apr-00	\$4,021.50	\$3,612.00	-\$409.50
May-00	\$242.00	\$4,279.50	\$4,037.50
Jun-00	\$63.00	\$2,412.00	\$2,349.00
Jul-00	\$1,001.00	\$2,411.50	\$1,410.50
Aug-00	\$116.00	\$2,332.00	\$2,216.00
Sep-00	\$0.00	\$1,272.00	\$1,272.00
<b>Total</b>	<b>\$29,661.50</b>	<b>\$41,139.50</b>	<b>\$11,478.00</b>